

Placer County Economic Forecast

Forecast Summary

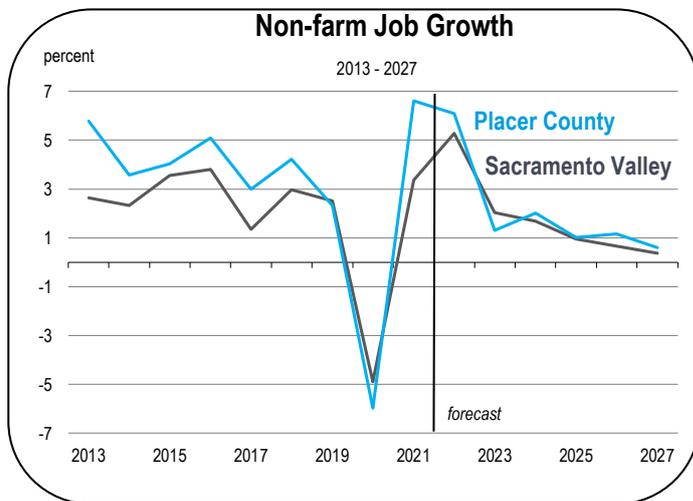
- Placer County is the fastest growing county in California. It has the fastest rate of expected population growth and one of the fastest rates of expected job creation.
- Both Sacramento County and Placer County are becoming emerging hubs for technology firms largely because giants HP, Intel, Aerojet Rocketdyne, Oracle, and Apple already have prominent locations in the region.
- On an annual average basis, 10,722 non-farm jobs will be added in Placer County during 2022.
- The unemployment rate averaged 5.0 percent in 2021. It is expected to average 2.5 percent in 2022.
- Housing construction is expected to be prolific. Significant housing production will enable meaningful net migration into the county.
- The median price for all housing sold in 2021 was \$612,000. During 2022, the median price for single family detached housing has increased to \$687,000. Prices however had declined between May and October, by approximately 12 percent.

Job Growth

- Total employment in Placer County will expand by 6.1 percent in 2022 on an annual average basis.
- Between 2023 and 2027, job growth will average 2.3 percent.

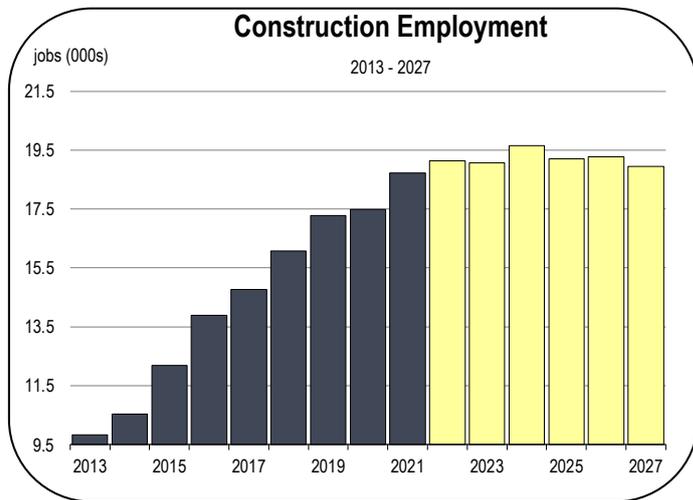
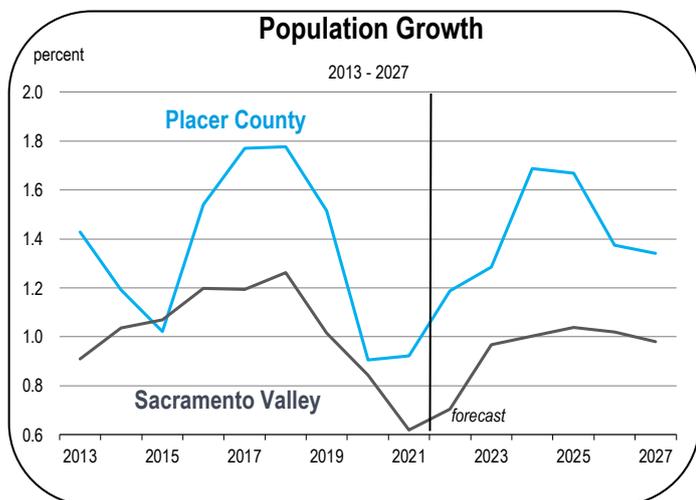
Construction Employment

- Placer One broke ground in October 2022 near Roseville. The project features 5,636 residential units, commercial and employment centers, and parks. This includes the infrastructure

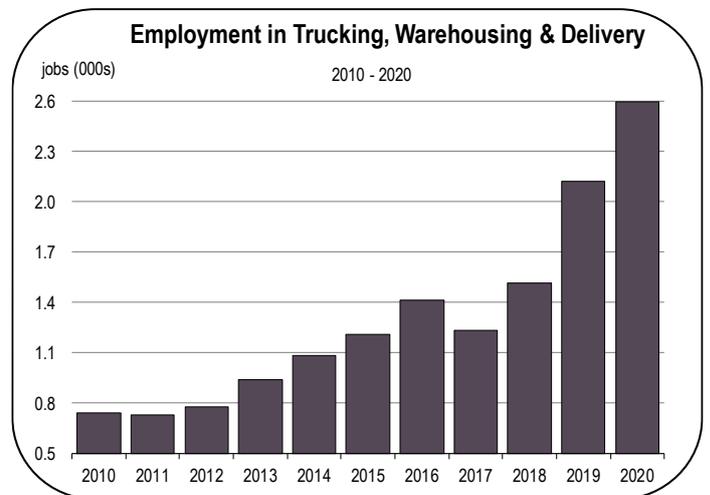
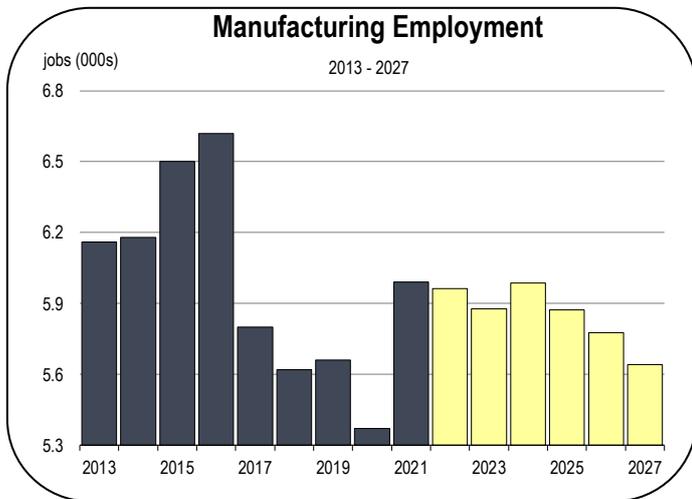


necessary for Placer Center, which is the future Sacramento State campus that will ultimately serve 12,000 new students.

- The demand for construction workers is forecast to remain high over the forecast because of the current and anticipated residential and non-residential development load either underway or in the pipeline.
- The Placer Vineyards projects are now being entitled by the Board of Supervisors. There are also projects planned in the east of the County to enhance skiing and ski tourism.
- Hewlett Packard currently employs 2,000 workers and Oracle employs 477.
- The demand for construction workers is likely to stay stable in the county over the next 5 years.



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Manufacturing Employment

- Placer County has a heavy concentration in computer manufacturing, largely due to the Hewlett Packard plant in Roseville and the Oracle office in Rocklin.
- The industry entirely recovered by years end 2021 and has created approximately 1,500 new jobs in 2022.
- The development of the proposed Placer Commerce Center will significantly increase employment in transportation and warehousing in Placer County. The project is 6.4 million square feet of flexible industrial space including parking for 1,344 tractor trailers.

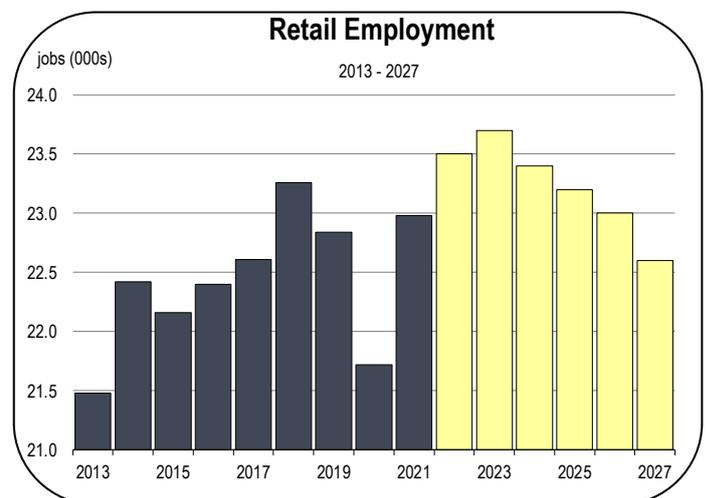
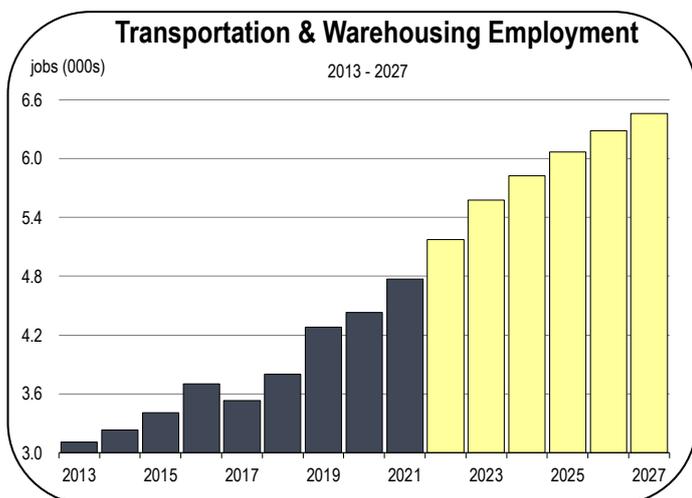
Transportation and Warehousing Employment

- As a consequence of rising population and the expansion of industry especially industrial uses, transportation and warehousing is forecast to remain a principal generator of new jobs over the forecast.

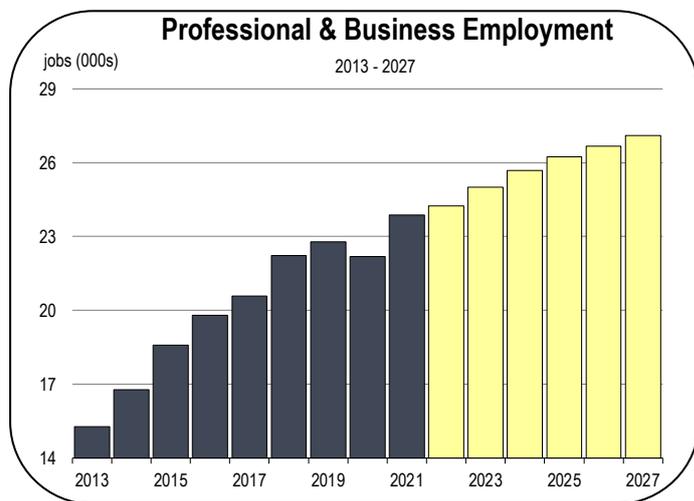
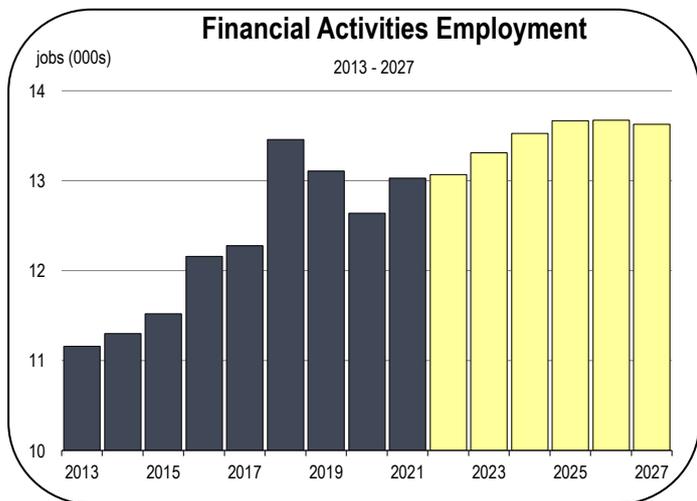
- Trucking, shareholding, and delivery firms hired large numbers of workers during 2021 in response to a surge in online shopping and direct-to-consumer shipping.
- Employment is forecast to rise modestly over the next 2 years. However, with consolidations in retail due to the substitution to online purchasing, the longer-term outlook for this sector suggest consolidation rather than growth.

Retail Trade Employment

- Retail jobs that were lost with the economic shutdowns during 2020 were completely recovered in 2021. More job creation is forecast for 2022 and 2023 as a result of general population and housing growth.
- However, substitution by consumers to purchase goods online instead of from local retail stores will ultimately lead to workforce consolidation and a decline in job opportunities over time.



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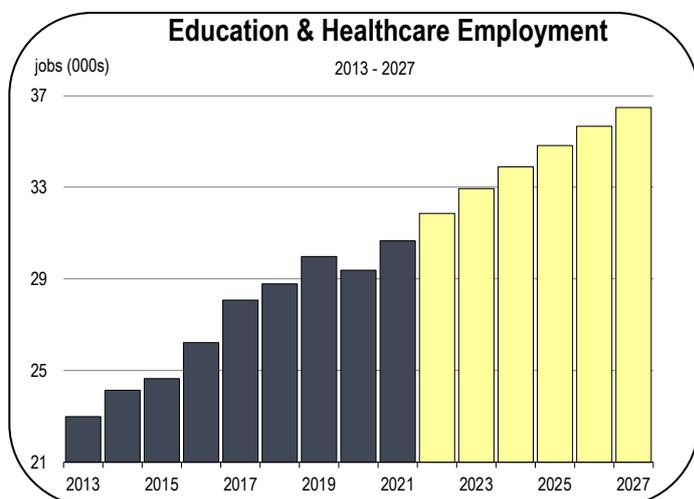
Financial Activities Employment

- The Placer County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- The industry will slowly expand the existing workforce levels over the forecast.
- Most growth will be observed at real estate firms, who will sell and manage the large number of properties that will be developed.

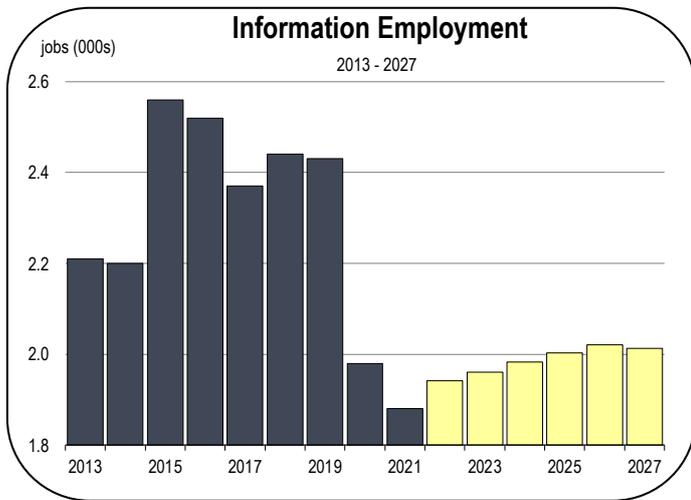
- More new development will lead to demand increases in architectural services, building inspection, interior design, landscaping, and building maintenance.
- Population serving occupations include accountants, bookkeepers, attorneys, advertising, graphic designers, public relations and marketing specialists, photography, and veterinary services.
- The growth of technology and innovation will generate demand for computer systems design, programming, component design and testing, and scientific and technical development services.

Professional and Business Services, Private Education, and Healthcare Employment

- The engines of growth for the County’s labor market will be in the professional services and in healthcare.
- Combined, these two sectors account for a major share of total employment growth over the forecast.
- The largest employers in the County are in healthcare. Number 1 is Kaiser Permanente with 5,835 employees, followed by Sutter Health, with 3,386.
- Both the growing and the aging population will demand more healthcare services.
- Population growth will also demand more services in general, and professional business services accounts for a myriad of subsector services that will require more workers than other sectors of the Placer County economy.



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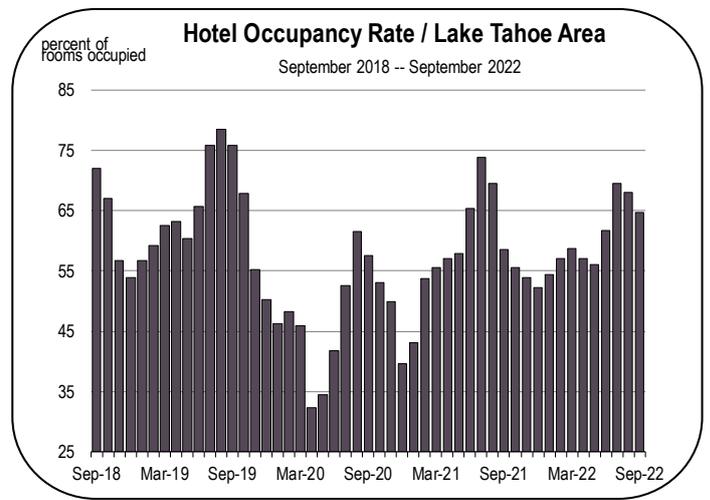
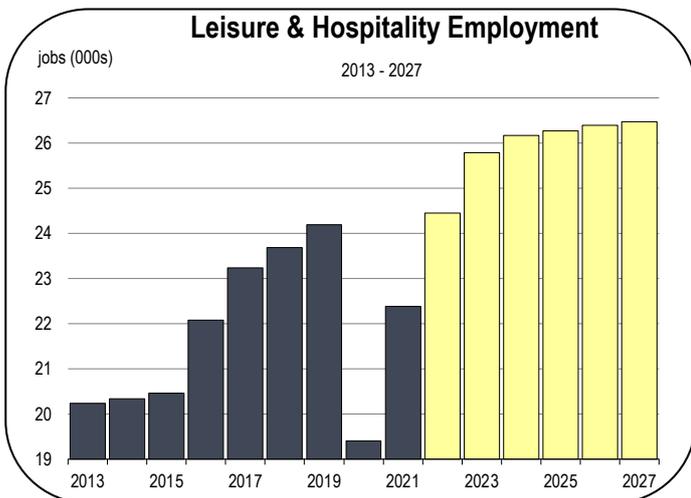


Information Employment

- The expansion of employment opportunities in this sector that began several years ago was interrupted by the pandemic.
- Some recovery of jobs is expected in 2022 and 2023, but principal growth in this sector is absent from the forecast.
- Because of recent relocations of companies into western Placer County, employments are expected to rise in software development, some telecommunications applications, data processing, Internet hosting, Internet publishing, and related web services. However, other subsectors of the broader information industry will continue to consolidate.

Leisure and Hospitality Employment

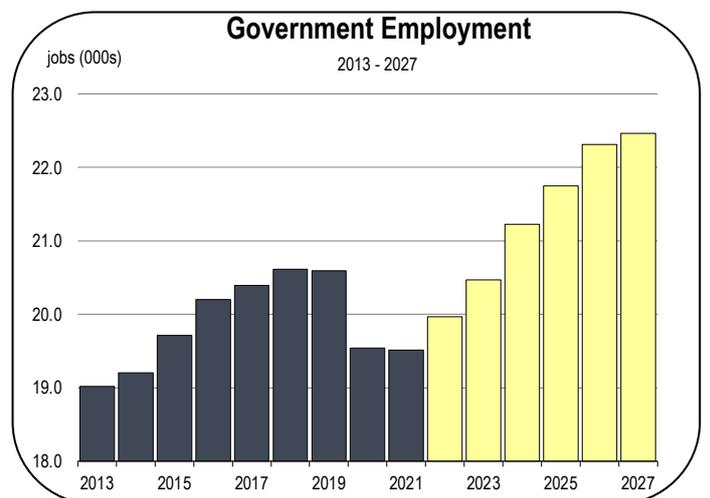
- The sector recovers all pandemic impacted jobs no later than 2022 and growth is relatively swift along the way.



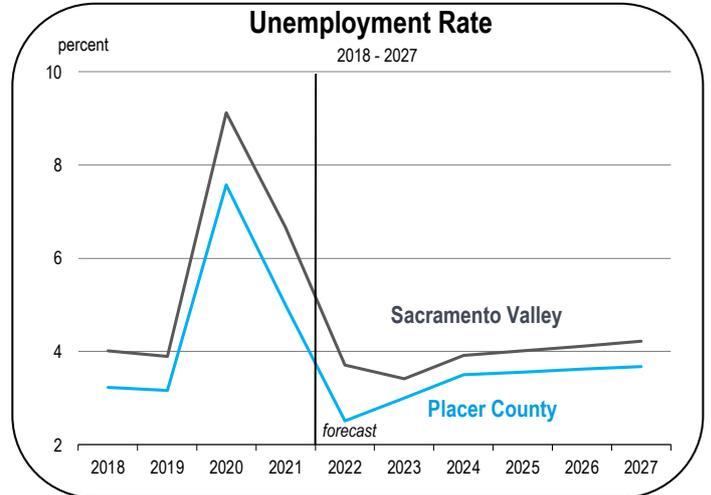
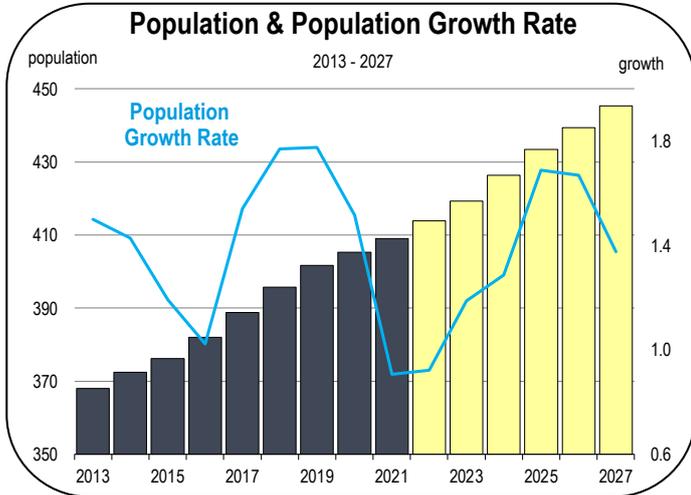
- Many jobs are related to winter skiing in the east county area of Lake Tahoe, including Palisades Tahoe, one of the largest employers in the county with a 2022 employment workforce of 2,600.
- Thunder Valley Casino Resort is also one of the largest employers with 2,114 employees.
- The last two ski seasons, 2021 and 2022 have been prolific, and hotel/motel visitor occupancy has fully rebounded.
- Expect the overall industry to recover and/or create nearly 4,000 jobs over the forecast period.

Government Employment

- The rebound in public sector employment was not apparent until 2022, though job positions were being filled starting in July of 2021. City and county tax revenues increased, along with direct relief from the American Rescue Plan.
- A complete recovery in state and local government employment is not forecast until 2024.



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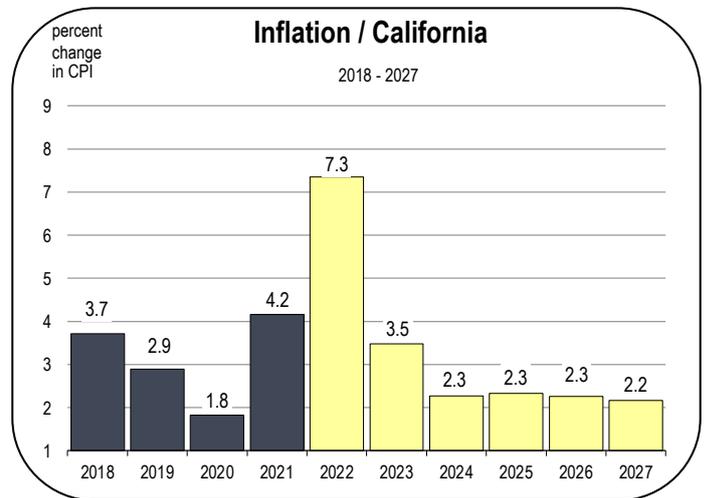
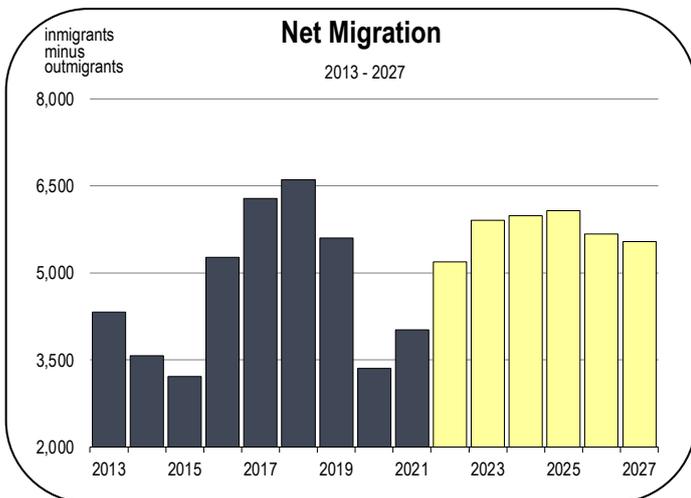


Population Growth

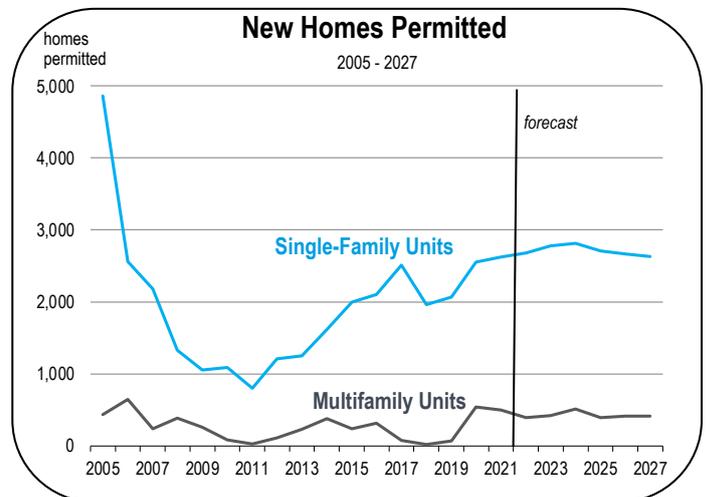
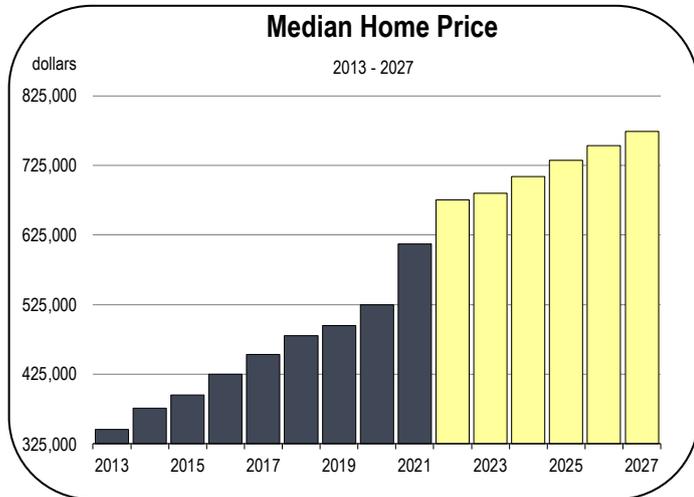
- The boost in new home building together with the growth of employment opportunities in both the east and west areas of the county is attracting migration.
- Estimated net in-migration will remain the principal driver of population growth over the forecast.
- The population will expand at an annual average rate of 1.4 percent per year from 2022 to 2027.
- By 2027 the Placer County population will approach 445,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Placer County averaged 5.0 percent in 2021. The October 2022 rate was 2.6 percent.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Placer County.
- The unemployment rate is expected to average 2.5 percent in 2021 and 3.0 percent in 2022.
- Inflation soared in 2021 and is expected to remain elevated in 2022 and 2023.



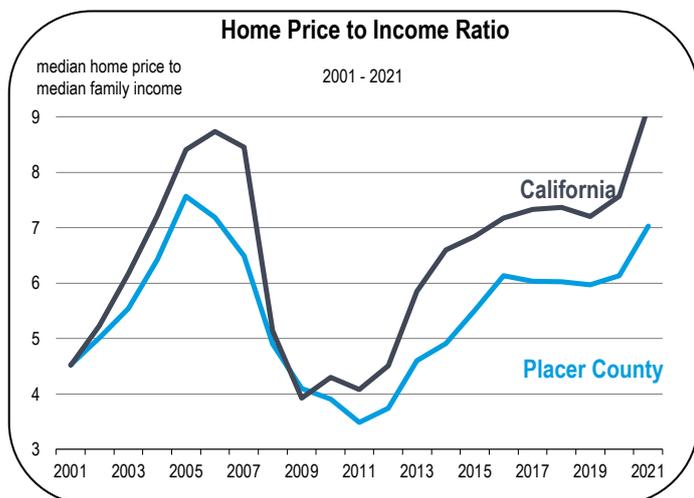
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- During 2022 and into 2023, there will be a number of factors that will contribute to higher-than-normal inflation. The most prominent will be:
 - Spending by consumers and the federal government that was especially prolific in 2021 and 2022
 - Global supply chain interruptions (from the pandemic) that have raised the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that have led to surging wage increases
- Combined, these factors have pushed 2022 inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022 and 2023.
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- In 2021 the median home price for all homes sold in Placer County was \$612,000, an increase of 16 percent from 2020. In 2022, selling values have increased on an average annual basis, to \$645,000. Between May and October however, selling values have declined 12 percent.
- Overall, housing values will rise 10 percent between 2021 and 2022, but just 1.3 percent in 2023.
- Homes in Placer County are more affordable than homes across California, especially Coastal California.
- In Placer County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2016 to 2021, an average of 2,200 new homes were started per year in Placer County. Approximately 93 percent were single-family homes.
- Housing production is expected to average 2,600 homes per year from 2022 to 2027, consisting almost entirely of single-family homes.
- Placer County has 5 major projects under construction spanning a total area of 9,750 acres.



Placer County Economic Forecast

Bickford Ranch Specific Plan

- A 1,928-acre community located between Lincoln and Newcastle.
- Planned to contain 1,890 residential units
- Parks, Public facilities, and open space are also planned
- Infrastructure improvements along Sierra College Boulevard are currently under construction

Placer Vineyards Specific Plan

- 5,230-acre plot of land in southwestern Placer County
- Planned to contain 14,132 residential units
- 274 acres of commercial use, 919 acres of park and open space, and 851 acres of quasi-public uses are also planned
- The 1st development phase is currently under construction. This phase includes 1,535 acres, 42 acres of retail space, school and parks, and up to 5,266 housing units. Residential lots and sewage pipeline are being created in the phase 1 area.

Riolo Vineyards Specific Plan

- 525-acre community sharing a border in the southeast with the Placer Vineyards Specific Plan.
- Planned to house 933 units within multiple different communities.
- 4 subdivisions of the Specific Plan area are under construction.



Placer Vineyards

Placer County Economic Forecast

Sierra Vista

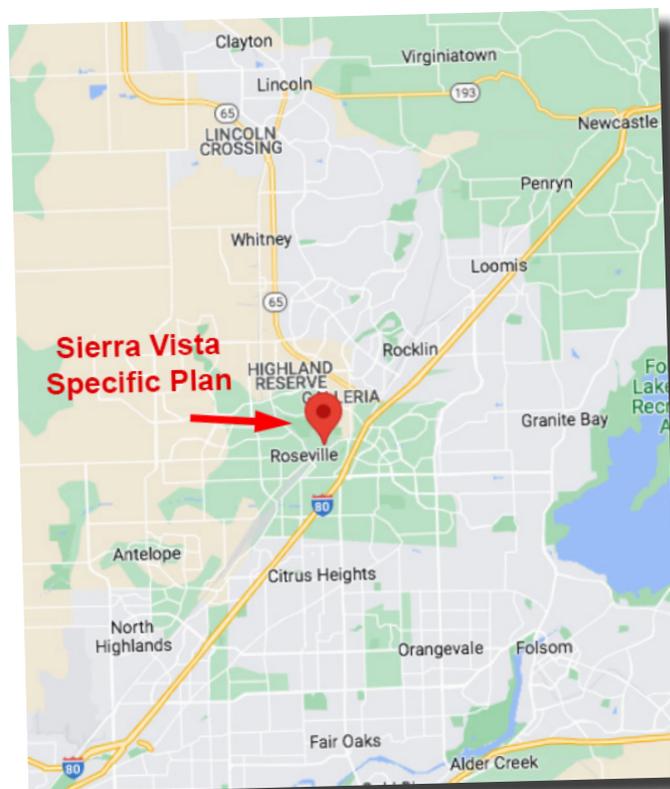
- 2,064 acres of land sharing a border to the north with the Placer Vineyards Specific Plan. The Sierra Vista Specific Plan Area was annexed into the City of Roseville from Placer County Unincorporated Area.
- The plan includes 8,679 single and multifamily units and is expected to accommodate 20,045 residents.
- 259 acres of Commercial Space, 106 acres of park space, 304 acres of open space, and 56 of schools are also planned.
- The plan area expects to provide 9,000 jobs.
- Baseline road widening and interior infrastructure is under construction currently and expected to continue through 2022.

Placer Commerce Center

- The 393-acre industrial business park was proposed in early 2022, featuring up to 6.8 million square feet of industrial space. Uses include light industrial, logistics, advanced manufacturing, data centers, information technology, and life sciences.

Lincoln Village 1

- 1,832.1-acre area on the eastern border of the city of Lincoln.
- Up to 5,800 residential units planned.
- 167,000 square feet of commercial space, 98.6 acres of parkland, 222.6 acres of golf course, and 403.4 acres of open space.
- Construction of a subdivision of Lincoln Village 1 called Turkey Creek Estates is now underway. 391 residential lots and related amenities are listed as under construction.



Sierra Vista Specific Plan

Placer County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Local Sales Tax (millions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Real Farm Production (millions)	Births (people)	Deaths (people)
2015	376,215	138.3	3,218	2,038	411	\$22	\$6.5	\$8.7	\$2.5	\$72,267	5.1	\$70	1.4
2016	382,010	140.2	5,272	2,418	421	\$24	\$6.7	\$9.0	\$2.7	\$73,407	4.5	\$71	2.3
2017	388,773	142.2	6,283	2,581	428	\$25	\$7.1	\$9.5	\$2.2	\$73,881	3.9	\$66	3.0
2018	395,677	144.4	6,605	1,981	438	\$26	\$7.6	\$9.9	\$1.9	\$73,749	3.2	\$74	3.7
2019	401,671	147.0	5,600	2,140	453	\$27	\$7.8	\$10.4	\$2.0	\$74,427	3.2	\$92	2.9
2020	405,308	148.9	3,358	3,092	451	\$29	\$7.6	\$10.2	\$2.2	\$76,958	7.6	\$94	1.8
2021	409,044	151.4	4,023	3,122	462	\$30	\$9.4	\$12.6	\$2.3	\$74,478	5.0	\$95	4.2
2022	413,900	153.3	5,195	3,073	476	\$33	\$11.7	\$15.6	\$2.3	\$74,866	2.5	\$94	7.3
2023	419,222	156.1	5,905	3,193	482	\$35	\$11.0	\$14.7	\$2.3	\$74,933	3.0	\$93	3.5
2024	426,300	159.0	5,990	3,322	488	\$37	\$11.1	\$14.8	\$2.4	\$75,892	3.5	\$92	2.3
2025	433,414	162.0	6,078	3,097	496	\$38	\$11.2	\$15.0	\$2.5	\$76,264	3.6	\$92	2.3
2026	439,375	164.8	5,674	3,079	503	\$40	\$11.3	\$15.1	\$2.5	\$76,648	3.6	\$91	2.3
2027	445,268	167.6	5,545	3,048	509	\$42	\$11.4	\$15.3	\$2.6	\$76,950	3.7	\$91	2.2
2028	451,068	170.3	5,394	2,942	515	\$43	\$11.6	\$15.4	\$2.6	\$77,084	3.7	\$90	2.2
2029	456,778	173.0	5,247	2,887	521	\$45	\$11.9	\$15.8	\$2.6	\$77,311	3.7	\$90	2.3
2030	462,373	175.6	5,071	2,837	527	\$47	\$12.2	\$16.3	\$2.7	\$77,611	3.7	\$90	2.2
2031	467,620	178.2	4,700	2,752	533	\$48	\$12.5	\$16.6	\$2.7	\$77,790	3.7	\$90	2.1
2032	472,553	180.7	4,382	2,667	539	\$50	\$12.8	\$17.0	\$2.7	\$77,830	3.7	\$90	2.3
2033	477,145	183.1	4,065	2,568	544	\$52	\$13.1	\$17.4	\$2.8	\$78,167	3.7	\$90	1.9
2034	481,368	185.4	3,730	2,441	549	\$53	\$13.3	\$17.8	\$2.8	\$78,398	3.7	\$89	2.1
2035	485,483	187.6	3,657	2,354	554	\$55	\$13.7	\$18.3	\$2.9	\$78,632	3.7	\$89	2.2
2036	489,235	189.7	3,337	2,266	559	\$57	\$14.1	\$18.9	\$2.9	\$78,664	3.7	\$89	2.6
2037	492,620	191.8	3,018	2,164	563	\$59	\$14.6	\$19.4	\$2.9	\$78,635	3.7	\$89	2.7
2038	496,008	193.8	3,080	2,110	567	\$61	\$15.0	\$20.0	\$3.0	\$78,737	3.7	\$89	2.5
2039	499,349	195.7	3,107	2,065	571	\$63	\$15.4	\$20.5	\$3.0	\$78,704	3.7	\$89	2.7
2040	502,541	197.5	3,044	2,026	574	\$65	\$15.8	\$21.1	\$3.0	\$78,679	3.7	\$89	2.6
2041	505,689	199.4	3,091	2,034	578	\$67	\$16.1	\$21.5	\$3.0	\$78,879	3.7	\$89	2.2
2042	508,773	201.2	3,099	2,037	582	\$69	\$16.5	\$22.0	\$3.1	\$79,118	3.7	\$89	2.1
2043	511,898	203.1	3,202	2,031	585	\$71	\$16.9	\$22.5	\$3.1	\$79,372	3.7	\$89	2.0
2044	515,043	204.9	3,293	2,054	589	\$73	\$17.2	\$22.9	\$3.1	\$79,689	3.7	\$89	1.8
2045	517,855	206.8	3,021	2,049	592	\$75	\$17.6	\$23.4	\$3.1	\$79,961	3.7	\$89	1.9
2046	520,497	208.6	2,912	2,020	596	\$77	\$18.0	\$24.0	\$3.2	\$80,148	3.7	\$89	2.0
2047	523,040	210.5	2,868	1,993	599	\$79	\$18.3	\$24.5	\$3.2	\$80,198	3.7	\$89	2.2
2048	525,407	212.3	2,728	1,946	601	\$81	\$18.8	\$25.1	\$3.2	\$80,247	3.7	\$89	2.3
2049	527,583	214.0	2,562	1,894	604	\$84	\$19.3	\$25.7	\$3.2	\$80,482	3.7	\$89	2.0
2050	529,565	215.7	2,388	1,851	606	\$86	\$19.7	\$26.3	\$3.2	\$80,509	3.7	\$89	2.1

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	152.3	0.3	12.2	6.5	3.4	26.4	11.5	18.6	2.6	24.7	20.5	19.7
2016	160.0	0.3	13.9	6.6	3.7	26.6	12.2	19.8	2.5	26.2	22.1	20.2
2017	164.8	0.3	14.8	5.8	3.5	26.9	12.3	20.6	2.4	28.1	23.2	20.4
2018	171.8	0.4	16.1	5.6	3.8	28.0	13.5	22.2	2.4	28.8	23.7	20.6
2019	175.8	0.4	17.3	5.7	4.3	28.1	13.1	22.8	2.4	30.0	24.2	20.6
2020	165.3	0.4	17.5	5.4	4.4	26.4	12.6	22.2	2.0	29.4	19.4	19.5
2021	176.1	0.3	18.7	6.0	4.8	27.4	13.0	23.9	1.9	30.7	22.4	19.5
2022	186.9	0.3	19.1	6.0	5.2	28.1	13.1	24.2	1.9	31.9	24.4	20.0
2023	189.3	0.3	19.1	5.9	5.6	28.3	13.3	25.0	2.0	33.0	25.8	20.5
2024	193.1	0.3	19.7	6.0	5.8	28.0	13.5	25.7	2.0	33.9	26.2	21.2
2025	195.0	0.3	19.2	5.9	6.1	27.8	13.7	26.2	2.0	34.8	26.3	21.7
2026	197.3	0.3	19.3	5.8	6.3	27.6	13.7	26.7	2.0	35.7	26.4	22.3
2027	198.5	0.3	19.0	5.6	6.5	27.2	13.6	27.1	2.0	36.5	26.5	22.5
2028	199.4	0.2	18.4	5.5	6.6	27.5	13.5	27.6	2.0	37.2	26.6	22.6
2029	200.8	0.2	18.1	5.5	6.7	27.3	13.5	28.0	2.0	37.9	26.8	22.8
2030	202.5	0.2	18.0	5.5	6.8	27.2	13.5	28.3	2.0	38.5	26.9	23.0
2031	203.3	0.2	17.6	5.5	6.9	27.1	13.5	28.7	2.0	38.9	27.1	23.1
2032	204.3	0.2	17.4	5.5	7.0	26.9	13.5	28.9	2.0	39.3	27.2	23.3
2033	205.1	0.2	17.1	5.5	7.1	26.9	13.5	29.2	2.0	39.5	27.4	23.4
2034	205.6	0.2	16.7	5.5	7.2	26.8	13.5	29.5	2.0	39.8	27.5	23.4
2035	206.3	0.2	16.4	5.5	7.2	26.3	13.5	29.7	2.0	40.0	27.7	23.5
2036	207.0	0.2	16.1	5.5	7.3	26.1	13.5	29.9	2.0	40.3	27.8	23.6
2037	207.3	0.2	15.8	5.5	7.3	26.0	13.5	30.1	2.0	40.4	28.0	23.6
2038	207.7	0.2	15.6	5.4	7.4	25.7	13.5	30.3	2.0	40.4	28.1	23.7
2039	208.1	0.2	15.3	5.4	7.4	25.6	13.5	30.4	2.0	40.4	28.3	23.7
2040	208.4	0.2	15.1	5.4	7.5	25.5	13.5	30.6	2.0	40.4	28.4	23.8
2041	208.9	0.2	15.1	5.4	7.5	25.5	13.5	30.8	2.0	40.5	28.6	23.8
2042	209.5	0.2	15.1	5.4	7.6	25.6	13.5	30.9	2.1	40.6	28.7	23.9
2043	210.2	0.2	15.0	5.4	7.6	25.6	13.5	31.1	2.1	40.7	28.9	24.0
2044	210.8	0.2	15.1	5.4	7.6	25.7	13.5	31.2	2.1	40.7	29.0	24.1
2045	211.3	0.2	15.1	5.4	7.7	25.8	13.5	31.4	2.1	40.8	29.1	24.2
2046	211.8	0.2	15.0	5.4	7.7	25.9	13.5	31.5	2.1	40.9	29.3	24.2
2047	212.2	0.2	14.9	5.4	7.8	26.0	13.5	31.6	2.1	41.1	29.4	24.3
2048	212.8	0.2	14.8	5.4	7.8	26.1	13.5	31.7	2.1	41.3	29.6	24.4
2049	213.5	0.2	14.7	5.4	7.8	26.1	13.5	31.8	2.1	41.6	29.7	24.4
2050	214.1	0.2	14.6	5.4	7.8	26.2	13.5	31.8	2.1	41.9	29.9	24.5

Placer County Economic Forecast

Socioeconomic Indicators

